

Submitted by: Shawn McGillicuddy
House Dist. #8, Senate Dist. #19

Submitted on: March 10, 2023 via Finance, Revenue and Bonding Committee
Written Testimony Submission Link

Dear Senator Fonfara, Representative Horn, Ranking members Martin, Cheeseman and members of the Finance, Revenue and Bonding Committee:

I am the current owner of a dairy farm that has been in my family for 105 years. Today I am here to voice my **support** for HB 5290, An Act Sunsetting the Highway Use Tax.

The Highway Use Tax (HUT) created a number of burdens for the day-to-day operation of my farm. The most obvious is cost. As we emerge from the pandemic, inflation has significantly increased my operating costs. Feed, fertilizer, fuel, electricity to name a few and now HUT. In June, I will face another financial burden with the increase in minimum wage. The last minimum wage increase was catastrophic and created a bidding war between farms and manufacturers vying to retain employees. Unlike most other businesses, I am unable to pass the cost on to the consumer. The price I receive for milk is regulated by the USDA. I can't simply produce more because volume is also controlled.

Beyond the cost imposed by HUT, farms now face an administrative nightmare tracking these miles. The majority of travel is off road. Because of HUT, each driver must now record both on road and off-road miles. The recording process reduces the efficiency of each trip by causing each truck/driver to stop and record mileage as they cross between on and off-road travel. It also adds an additional burden to office staff who must collate and report this mileage on a monthly basis.

The rollout of HUT was not well thought out and premature. 80,000 tri-axle dump trucks hauling gravel and other materials are not subject to this tax. As written, HUT applies only to truck and trailers and not straight trucks. If the purpose of HUT is to raise funds to maintain our state highways and roads, HUT missed the mark by not considering the variety of trucks currently on the road while placing an unfair burden on farms like mine hauling bedding, manure and livestock.

Ensuring my farm remains viable is becoming more challenging by the day. During the covid pandemic when schools were closed, I watched as the milk

produced on my farm was poured down the drain. The financial implications of this are still felt today. HUT effects both my household and my business. Every resident in Connecticut is facing higher consumer costs as a result of the trickle-down effect of HUT. With inflation higher than we have seen in years, I support HB 5290 and ask you to do the same.

Thank you for your time.

Sincerely,

/s/

Shawn McGillicuddy
Square A Farm